

# **EXHIBIT 1**

U.S. Chief Magistrate Judge Mary Alice Theiler

UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

In The Matter Of The Seizure Of Funds  
Held In Wells Fargo Bank, N.A. Account  
No. 2193, In The Name Of Namit  
Chawla, Up To The Amount Of  
\$124,851.12

No.  
**AFFIDAVIT OF IRS TFO  
RYAN R. RAULERSON IN SUPPORT  
OF APPLICATION FOR SEIZURE  
WARRANT**

I, RYAN R. RAULERSON, a Task Force Officer assigned to the Internal Revenue Service, being duly sworn, depose and state:

1. I am a Task Force Officer ("TFO") assigned to the Financial Intelligence Task Force ("FITF"), which is operated by the Internal Revenue Service, Criminal Investigation ("IRS-CI"), United States Department of the Treasury. I am a Corporal in the Patrol Division of the City of Issaquah Police Department, where I have worked since October 1, 2003. During my tenure with the Issaquah Police Department, I have attended numerous advanced training classes in interview and interrogation, basic homicide investigation, officer-involved shootings, DUI enforcement, financial crimes, collision investigation, and internet crime investigations. In the course of my 4½ year rotation in the detective division, I was responsible for investigating crimes against persons and property, and handled numerous complex financial investigations.

2. With my assignment as a TFO, I have attended the IRS Task Force Officer training class providing specific training on structuring and money laundering. As a TFO,

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1 my responsibilities include the investigation of the Bank Secrecy Act (31 U.S.C. §§ 5311, et.  
2 seq.), the Money Laundering Control Act (18 U.S.C. §§ 1956 and 1957), and related  
3 offenses.

#### 4 SUMMARY

5 3. This affidavit is submitted in support of an application for a seizure warrant for  
6 all funds up to \$124,851.12, contained in Wells Fargo Bank, N.A. account no. \*\*\*\*\*2193,  
7 in the name and/or benefit of Namit Chawla, based on probable cause to believe that such  
8 funds are subject to seizure and forfeiture to the United States pursuant to 31 U.S.C. §  
9 5317(c) and 18 U.S.C. § 984, as they constitute property involved in, or traceable to, bank  
10 currency deposits structured to avoid currency reporting requirements, in violation of 31  
11 U.S.C. § 5324(a)(3).

#### 12 LEGAL BACKGROUND

13 4. The Bank Secrecy Act, under 31 U.S.C. § 5313 and 31 CFR Chapter X  
14 requires any financial institution that engages with a customer in a currency transaction (i.e.,  
15 deposit or withdrawal) in excess of \$10,000.00 to report the transaction to the IRS on  
16 Department of the Treasury FinCEN Form 104, Currency Transaction Report ("CTR").  
17 These regulations also require that multiple transactions be treated as a single transaction if  
18 the financial institution has knowledge that they are by, or on behalf of, the same person, and  
19 they result in currency either received or disbursed by the financial institution totaling more  
20 than \$10,000.00 during any one business day.

21 5. CTRs are often used by law enforcement to uncover a wide variety of illegal  
22 activities including narcotics trafficking, money laundering, and tax crimes. Many  
23 individuals involved in these illegal activities are aware of such reporting requirements and  
24 take active steps to attempt to cause financial institutions to fail to file CTRs. These active  
25 steps are often referred to as "smurfing" or "structuring," and involve making multiple  
26 currency deposits, in amounts no greater than \$10,000.00, to multiple banks and/or branches  
27 of the same bank on the same day or consecutive days. Structuring is prohibited by 31  
28 U.S.C. § 5324(a)(3).

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6. To establish the crime of structuring transactions to evade reporting requirements, the government must prove that, for the purpose of evading the reporting requirements of 31 U.S.C. § 5313(a), or any regulation prescribed under any such section, the subject structured or assisted in structuring, or attempted to structure or assist in structuring, any transaction with one or more domestic financial institutions in amounts greater than \$10,000.00.

7. Title 31 U.S.C. § 5317(c) provides for the forfeiture of any property involved in a violation of section 5313, 5316, or 5324 of this title, or any conspiracy to commit any such violation, and any property traceable to any such violation or conspiracy, and that such property shall be forfeited in accordance with the procedures governing civil forfeitures in money laundering cases pursuant to 18 U.S.C. § 981(a)(1)(A).

8. Title 18 U.S.C. § 984 provides in pertinent part:

(a)(1) In any forfeiture action in rem in which the subject property is cash... [or] funds deposited in an account in a financial institution –

(A) it shall not be necessary for the Government to identify the specific property involved in the offense that is the basis for the forfeiture; and

(B) it shall not be a defense that the property involved in such an offense has been removed and replaced by identical property.

(a)(2) Except as provided in subsection (b), any identical property found in the same place or account as the property involved in the offense that is the basis for the forfeiture shall be Subject to forfeiture under this section.

Title 18 U.S.C. § 984(b) precludes an action to forfeit property not traceable directly to the offense that is the basis for the forfeiture more than one year from the date of the offense.

#### CURRENT INVESTIGATION

9. The IRS-CI sponsored FITF, which works in close collaboration with the United States Attorney's Office in Seattle, obtained and reviewed the records of Wells Fargo

1 Bank, N.A. account nos. \*\*\*\*\*2193 and \*\*\*\*\*7145, in the name of Namit Chawla in  
2 Poulsbo, WA.

3 10. Based on the information outlined in this affidavit, as well as my training and  
4 experience, and the training and experience of my colleagues, it is my belief that Namit  
5 Chawla, the holder of accounts \*\*\*\*\*2193 and \*\*\*\*\*7145, engaged in a pattern of  
6 structuring currency deposits in a manner designed to avoid the filing of CTRs. It appears  
7 that the account holder acquired one or more sums of currency greater than \$10,000.00, and  
8 broke them up into amounts less than \$10,000.01 so that his deposits would not trigger the  
9 filing of a CTR.

10 11. Wells Fargo Bank records show that account no. \*\*\*\*\*2193 represents a  
11 Wells Fargo Goal Savings Account, which was opened on June 9, 2008. Namit Chawla is  
12 listed as the sole signer on the account.

13 12. Wells Fargo Bank records show that account no. \*\*\*\*\*7145 represents a  
14 PMA Premier Checking Account, which was also opened on June 9, 2008. Namit Chawla is  
15 listed as the sole signer on the account.

16 13. Wells Fargo Bank records indicate that 16 currency deposits, totaling  
17 \$134,950.20, were made into the above-described accounts between March 27, 2013 and  
18 July 1, 2013. Many of the transactions occurred on the same day, consecutive banking days,  
19 or within the same week during this 3-month time period.

20 14. The following spreadsheet illustrates the structuring of currency deposits into  
21 Wells Fargo Bank, N.A. account nos. \*\*\*\*\*2193 and \*\*\*\*\*7145, for the period of March  
22 27, 2013 and July 1, 2013.

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Transactions Per Week	Date	Day	Account	Deposit Amount	Branch Location
3	3/27/2013	Wednesday	7145	\$8,679.00	Silverdale, WA
	3/27/2013	Wednesday	7145	\$482.20	Silverdale, WA
	3/29/2013	Friday	7145	\$9,110.00	Silverdale, WA
4	5/06/2013	Monday	2193	\$9,055.00	Silverdale, WA
	5/07/2013	Tuesday	7145	\$9,914.00	Silverdale, WA
	5/08/2013	Wednesday	7145	\$9,978.00	Silverdale, WA
	5/10/2013	Friday	2193	\$9,600.00	6696 UNK
2	5/16/2013	Thursday	7145	\$9,934.00	Silverdale, WA
	5/17/2013	Friday	2193	\$9,995.00	Silverdale, WA
2	5/21/2013	Tuesday	2193	\$9,981.00	Silverdale, WA
	5/22/2013	Wednesday	2193	\$8,984.00	1716 UNK
1	5/29/2013	Wednesday	2193	\$8,250.00	Silverdale, WA
1	6/12/2013	Wednesday	2193	\$9,421.00	Poulsbo, WA
1	6/18/2013	Tuesday	2193	\$7,375.00	Silverdale, WA
1	6/25/2013	Tuesday	2193	\$4,611.00	7150 UNK
1	7/01/2013	Monday	2193	\$9,581.00	Silverdale, WA
<b>Total:</b>				<b>\$134,950.20</b>	
<b>Total Account 7145:</b>				<b>\$48,097.20</b>	
<b>Total Account 2193:</b>				<b>\$86,853.00</b>	

15. From a review of Wells Fargo Bank records, it is apparent that many of the funds that were structured into Chawla's account no. \*\*\*\*\*7145 were subsequently moved into Chawla's account no. \*\*\*\*\*2193. Using the First In-First Out ("FIFO") method to examine the funds deposited into \*\*\*\*\*7145, your affiant found that of the \$48,097.20 in structured deposits into account no. \*\*\*\*\*7145, \$37,998.12 was transferred into account no. \*\*\*\*\*2193.

16. The FIFO trace of the structured deposits into account no. \*\*\*\*\*7145 and transferred to account no. \*\*\*\*\*2193, is explained as follows:

- a. On 3/26/13, account no. \*\*\*\*\*7145 had a balance of \$33,291.91.
- b. On 3/27/13, a deposit of \$9,161.20 was made into account no. \*\*\*\*\*7145.
- c. On 3/29/13, a deposit of \$9,110 was made into account no. \*\*\*\*\*7145.

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1 d. On 4/1/13, \$31,000 was transferred from account no. \*\*\*\*\*7145 to account  
2 no. \*\*\*\*\*2193. This transfer is applied to the original balance of \$33,291.91, leaving  
3 \$2,291.91 as the original "first in" amount.

4 e. On 4/1/13, \$490 was transferred out of account no. \*\*\*\*\*7145 to a private  
5 business. This transfer leaves \$1,801.91 as the original "first in" amount.

6 f. On 4/16/13, \$10,000 was transferred out of account no. \*\*\*\*\*7145 to the  
7 IRS. This transfer uses the remaining \$1,801.91 "first in" balance. The remaining \$8,198.09  
8 is applied to the first cash deposit of \$9,161.20, leaving \$963.11 of that deposit in account  
9 no. \*\*\*\*\*7145.

10 g. On 4/23/13, \$20 was transferred out of account no. \*\*\*\*\*7145 to CitiBank.  
11 This transfer leaves \$943.11 of the first cash deposit.

12 h. On 4/26/13, \$490 is transferred out of account no. \*\*\*\*\*7145 to a private  
13 business as payment. This transfer leaves \$453.11 of the first cash deposit.

14 i. On 4/26/13, \$536.42 was transferred from account no. \*\*\*\*\*7145 to  
15 CitiBank as payment. This amount used the remaining \$453.11 of the first cash deposit, and  
16 \$83.11 is subtracted from the deposit made on 3/29/13, leaving \$9,026.69 of that deposit  
17 subject to seizure.

18 j. On 5/7/13, a deposit of \$9,914 was made into account no. \*\*\*\*\*7145.

19 k. On 5/8/13, a deposit of \$9,978 was made into account no. \*\*\*\*\*7145.

20 l. On 5/16/13, a deposit of \$9,934 was made into account no. \*\*\*\*\*7145.

21 m. On 5/17/13, \$38,000 was transferred from account no. \*\*\*\*\*7145 to account  
22 no. \*\*\*\*\*2193. This amount includes \$9,026.69 which remained from the 3/29/13 deposit.  
23 It also includes the deposits on 5/7/13 and 5/8/13, and \$9,079.43 of the deposit made on  
24 5/16/13.

25 n. Of the \$48,097.20 in structured cash deposits into account no. \*\*\*\*\*7145,  
26 \$37,998.12 was transferred into account no. \*\*\*\*\*2193 and is subject to seizure from that  
27 account. Additionally, the \$86,853 structured into account no. \*\*\*\*\*2193 during the past  
28 year is subject to seizure, resulting in a total sum of \$124,851.12. See Appendix A.

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17. In my training and experience, the use of multiple deposits on the same day, consecutive days, or over a short time span, is consistent with a scheme to deliberately avoid having a CTR filed. I know that people who acquire cash in the course of their trade, business, or personal ventures, usually routinely make significant cash deposits into their bank accounts, often exceeding \$10,000.00. Moreover, such people routinely make significant deposits that do not consist of round numbers, such as exactly \$8,250, \$9,055, or \$9,995. Instead, people who routinely acquire cash in their trade, business, or personal venture, who are not attempting to intentionally structure cash deposits, generally regularly deposit different amounts of money that are not "even" amounts, such as \$3,455.12, \$5,440.37, or \$10,300.80. I also know that people who do not routinely make significant deposits, but instead make cash deposits in round, even amounts, such as \$8,250, \$9,055, or \$9,995, over a short period of time, are often breaking a larger amount of cash into separate deposits of amounts less than \$10,000.01, to avoid triggering the filing of a CTR. In short, when they do this, they are engaging in structuring.

18. Based on my training and experience, and the training and experience of my colleagues, I know that individuals engaged in structuring currency deposits into their accounts will frequently make several currency deposits into their account within a short period. Additionally, I know that when an individual makes separate currency deposits into their account on the same day, or within a few days, in amounts of \$10,000.00 or less, but together totaling more than \$10,000.00, as the records reflect that Namit Chawla did, they likely engaged in the act of structuring.

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**CONCLUSION**

19. Based on the foregoing information, there is probable cause to believe that Namit Chawla had in his possession one or more sums of currency greater than \$10,000.00, totaling up to \$134,950.20, and then broke that sum or sums into currency deposits of less than \$10,000.01, during the period of March 27, 2013 to July 1, 2013, in a manner designed to evade the filing of a CTR, which is required for all currency transactions over \$10,000.00. The transactions were conducted with a domestic financial institution and are in violation of 31 U.S.C. § 5324(a)(3). Therefore, there is probable cause to believe the funds on deposit in Wells Fargo Bank account no. \*\*\*\*\*2193, in the name of Namit Chawla, up to the amount of \$124,851.12, constitute property involved in or property traceable to deposits structured to avoid currency reporting requirements in violation of 31 U.S.C. § 5324(a)(3), and thus, are subject to seizure and forfeiture to the United States pursuant to 31 U.S.C. § 5317(c) and 18 U.S.C. § 984.

WHEREFORE, I respectfully request the issuance of a seizure warrant for the following personal property:

All funds up to \$124,851.12 from Wells Fargo Bank, N.A. account no. \*\*\*\*\*2193, in the name of Namit Chawla.

DATED this 28<sup>th</sup> day of March, 2014.



RYAN R. RAULERSON  
Task Force Officer, Internal Revenue Service

SUBSCRIBED and SWORN TO before me this 28<sup>th</sup> day of March, 2014.

  
 HON. MARY ALICE THEILER  
 United States Magistrate Judge

# **APPENDIX A**

**ACCOUNT # 7145**

				Beginning Balance 3/28/2013	Cash Dep 3/29/2013	Interest 3/29/2013	Interest 4/30/2013	Cash Dep 5/7/2013	Cash Dep 5/8/2013	Cash Dep 5/16/2013
Transfer	4/1/2013	Transfer to 2913	\$31,000.00	\$42,453.11	\$9,110.00	\$1.27	\$0.61	\$9,914.00	\$9,978.00	\$9,934.00
Balance				-\$31,000.00						
Payment	4/1/2013	Payment to Business	-\$490.00	\$11,453.11						
Balance				-\$490.00						
Payment	4/16/2013	IRS	\$10,000.00	\$10,963.11						
Balance				-\$10,000.00						
Payment	4/23/2013	CitiBank	-\$20.00	\$963.11						
Balance				-\$20.00						
Payment	4/26/2013	Payment to Business	-\$490.00	\$943.11						
Balance				-\$490.00						
Payment	4/26/2013	CitiBank	-\$536.42	\$453.11	-\$83.31					
Balance				-\$453.11						
Transfer	5/17/2013	Transfer to 2913	-\$38,000.00		\$9,026.69					
					-\$9,026.69	-\$1.27	-\$0.61	-\$9,914.00	-\$9,978.00	-\$9,079.93
										\$854.57
					Amount Transferred to Account # 2193 Subject To Seizure:					\$37,998.12